

AMENDED IN ASSEMBLY AUGUST 16, 1999

AMENDED IN SENATE MAY 28, 1999

SENATE BILL

No. 586

Introduced by Senator Costa *and Assembly Member Alquist*
(Coauthor: Senator Johnston)
(Coauthors: Assembly Members Reyes, Scott, and
Torlakson)

February 23, 1999

~~An act to amend Sections 2550, 2561, 2562, 2563, 2566, and~~
14054 *An act to amend Section 2550* of, to amend and repeal
Section 2551 of, and to add Section 2567 to, the Education
Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 586, as amended, Costa. School finance: equalization
adjustments.

Existing law requires the Superintendent of Public
Instruction to make certain computations to determine the
amount to be allocated for direct services and other purposes
provided by county superintendents of schools and to
determine each county superintendent's revenue limit for
county superintendent responsibilities and direct services.
Existing law sets forth a method for equalizing the revenue
limits for county offices of education for the 1995-96 fiscal
year. ~~Existing law defines the term "general purpose~~
~~revenues" for the purposes of this method.~~

This bill would repeal, as of January 1, 2000, the existing
formulas for determining each county superintendent's

revenue limit for county superintendent responsibilities and services. ~~The bill would delete the term “general purpose revenues” and replace it with the term “core revenues.”~~ The bill would require the Superintendent of Public Instruction to apportion equalization funding for the 1999–2000 fiscal year to certain county offices of education in prescribed amounts. The bill would make ~~various~~ a conforming ~~changes~~ change to existing ~~provisions of law, including changes to~~ regarding the computations to be made by the Superintendent of Public Instruction to determine the amounts to be allocated for direct and other services provided by county superintendents of schools.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) *The Legislature finds and declares*
 2 *all of the following:*
 3 (1) *County offices of education provide critical*
 4 *services to school districts, including education*
 5 *technology programs, reading initiative programs, school*
 6 *safety, staff development, and district accounting and*
 7 *administrative programs.*
 8 (2) *The Governor’s 1999 Special Session on Education*
 9 *produced four important major education reforms*
 10 *benefitting California’s students and teachers, which will*
 11 *require assistance from county offices of education for*
 12 *their effective implementation.*
 13 (3) *All school districts should receive appropriate*
 14 *financial and administrative support from county offices*
 15 *of education in the implementation of these fiscal and*
 16 *academic accountability reform initiatives.*
 17 (4) *Every school district, regardless of size or location,*
 18 *should receive an appropriate and equitable level of*
 19 *services from its county office of education.*
 20 (5) *As a result of past inequities in funding for county*
 21 *offices of education, the general purpose revenues of*
 22 *individual county offices of education vary as much as 300*
 23 *percent within similar size counties, thereby limiting the*

1 ability of the lowest funded counties to provide services
2 to their respective districts.

3 (6) School districts have received almost six hundred
4 million dollars (\$600,000,000) in equalization funding in
5 recent years, while county offices have not received any
6 equalization funding.

7 (b) It is the intent of the Legislature by amending
8 Sections 2550 and 2551 of, and adding Section 2567 to, the
9 Education Code in the act adding this section, to assist
10 those counties that are below the statewide average in
11 general purpose funding, so that all school districts
12 receive appropriate assistance from their county offices
13 of education in the implementation of the Governor's
14 1999 reform measures, including school accountability,
15 the high school exit examination, peer assistance and
16 review, reading development and early intervention,
17 schoolsite safety, academic assistance, and fiscal
18 accountability and oversight measures established
19 pursuant to Chapter 1213 of the Statutes of 1991 and
20 Chapter 650 of the Statutes of 1994.

21 SEC. 2. Section 2550 of the Education Code is
22 amended to read:

23 2550. For each fiscal year, the Superintendent of
24 Public Instruction shall make the following computations
25 to determine the amount to be allocated for direct
26 services and other purposes provided by county
27 superintendents of schools:

28 (a) For programs operated pursuant to subdivision (a)
29 of Section 14054, the Superintendent of Public Instruction
30 shall:

31 (1) Determine the allowances that county
32 superintendents received per unit of average daily
33 attendance in the prior fiscal year. The Superintendent
34 of Public Instruction shall increase each amount by a
35 percentage equal to the inflation allowance calculated for
36 the current fiscal year pursuant to Section 2557.

37 (2) Multiply each amount determined in paragraph
38 (1) by the actual number of units of average daily
39 attendance in the prior fiscal year for programs
40 maintained by each county superintendent. For purposes

1 of this paragraph, the number of units of average daily
2 attendance shall include only units generated by
3 elementary districts with less than 901 units of average
4 daily attendance, high school districts with less than 301
5 units of average daily attendance, and unified school
6 districts with less than 1,501 units of average daily
7 attendance within each county superintendent's
8 jurisdiction.

9 (b) For programs operated pursuant to subdivision
10 (b) of Section 14054, the Superintendent of Public
11 Instruction shall:

12 (1) ~~Determine the rate~~

13 (A) *For the 1999–2000 fiscal year, determine the rate*
14 *per unit of average daily attendance* calculated for each
15 county office of education pursuant to subdivision (b) of
16 Section 2567 and increase each rate by a percentage equal
17 to the inflation allowance calculated in Section 2557.

18 (B) *For the 2000–01 fiscal year and each fiscal year*
19 *thereafter, determine the allowance that each county*
20 *superintendent received per unit of average daily*
21 *attendance in the prior fiscal year. The Superintendent*
22 *of Public Instruction shall increase that amount by a*
23 *percentage equal to the inflation allowance calculated for*
24 *the current fiscal year pursuant to Section 2557.*

25 (2) Multiply each amount determined in paragraph
26 (1) by the ~~estimated~~ units of average daily attendance in
27 the current fiscal year for programs for kindergarten and
28 grades 1 to 12, inclusive, maintained by each county
29 superintendent. For the purposes of this paragraph, ~~the~~
30 ~~estimate~~ *average daily attendance* shall include only the
31 total units of average daily attendance credited to all
32 elementary, high school, and unified school districts
33 within each county superintendent's jurisdiction and to
34 the county superintendent.

35 ~~SEC. 2.—~~

36 *SEC. 3.* Section 2551 of the Education Code is
37 amended to read:

38 2551. The Superintendent of Public Instruction shall
39 perform the computations prescribed in this section to
40 determine each county superintendent's revenue limit

1 for county superintendent responsibilities and district
2 services:

3 (a) For the 1981–82 fiscal year, the superintendent
4 shall add to the revenue limit amount computed pursuant
5 to subdivision (a) of Section 2551 for the 1980–81 fiscal
6 year, the revenue limit amount computed pursuant to
7 Section 2552 for the 1980–81 fiscal year reduced by 55.9
8 percent. This adjusted revenue limit shall then be
9 increased by the inflation allowance calculated in
10 subdivision (a) of Section 2557.

11 (b) For the 1981–82 fiscal year and for each fiscal year
12 thereafter, the Superintendent of Public Instruction shall
13 increase the amount calculated in subdivision (a) by the
14 amounts computed according to Sections 2507.5 and 2510.

15 (c) The total amounts for each program calculated
16 pursuant to subdivision (a) may be used for any of the
17 services or programs specified in this section, or Section
18 2552 as it read prior to the enactment of this act.

19 (d) This section shall become inoperative on July 1,
20 1999, and as of January 1, 2000, is repealed, unless a later
21 enacted statute, that becomes operative on or before
22 January 1, 2000, deletes or extends the dates on which it
23 becomes inoperative and is repealed.

24 ~~SEC. 3. Section 2561 of the Education Code is~~
25 ~~amended to read:~~

26 ~~2561. For purposes of this article, the following~~
27 ~~definitions shall apply:~~

28 (a) ~~“Countywide ADA” means the aggregate number~~
29 ~~of annual units of regular average daily attendance for the~~
30 ~~fiscal year in all school districts within the county.~~

31 (b) ~~“Services ADA” means the countywide ADA plus~~
32 ~~12.5 percent of the number of full-time equivalent~~
33 ~~students in community college districts within the county~~
34 ~~for which the county office of education provides fiscal~~
35 ~~and other services.~~

36 (c) ~~“Core revenues” means the sum of the following~~
37 ~~amounts received by the county office of education in the~~
38 ~~fiscal year:~~

~~(1) Apportionments received for purposes of subdivision (b) of Section 2550 and for purposes of county superintendent office operations and capital outlay.~~

~~(2) Any financial support provided to the county office of education from the general fund of the county, including, but not limited to, salary and benefits expenditures for county office of education staff paid for by the county, other expenditures to support the operations of the county office of education paid for the county, revenues transferred from the county general fund to the county office of education, and any other direct or indirect support provided to the county office of education by the county general fund. As a condition of receipt of funds pursuant to this article, the county superintendent of schools shall certify the amount of this financial support from the county general fund to the Superintendent of Public Instruction in a manner determined by the Superintendent of Public Instruction.~~

~~SEC. 4. Section 2562 of the Education Code is amended to read:~~

~~2562. For purposes of Section 2563, the following classes of counties shall apply:~~

~~(a) Class 1: Counties with 1994-95 countywide ADA of more than 500,000.~~

~~(b) Class 2: Counties with 1994-95 countywide ADA of at least 180,000 but less than 500,000.~~

~~(c) Class 3: Counties with 1994-95 countywide ADA of at least 60,000 but less than 180,000.~~

~~(d) Class 4: Counties with 1994-95 countywide ADA of at least 30,000 but less than 60,000.~~

~~(e) Class 5: Counties with 1994-95 countywide ADA of at least 14,000 but less than 30,000.~~

~~(f) Class 6: Counties with 1994-95 countywide ADA of at least 7,000 but less than 14,000.~~

~~(g) Class 7: Counties with 1994-95 countywide ADA of less than 7,000.~~

~~SEC. 5. Section 2563 of the Education Code is amended to read:~~

~~2563. The Superintendent of Public Instruction shall make the following calculations for the 1995-96 fiscal year:~~

~~(a) For each county office of education, divide its 1994-95 core revenues by its 1994-95 services ADA.~~

~~(b) For each class of counties, except class 1 counties, divide the sum of the 1994-95 core revenues for all of the county offices of education in that class by the sum of the services ADA for all of the counties in that class, and multiply that quotient by 0.88. For class 1 counties, the amount shall be eighteen dollars and 98 cents (\$18.98).~~

~~(c) For each county office of education, subtract the amount determined pursuant to subdivision (a) from the amount determined pursuant to subdivision (b) of the class of counties of which it is a member. If this difference is less than zero, it shall be deemed to be zero.~~

~~(d) For each county office of education, multiply the amount determined pursuant to subdivision (c) by its 1994-95 services ADA.~~

~~(e) Divide five million dollars (\$5,000,000) by the statewide sum of the amounts determined pursuant to subdivision (d) and, for each county office of education, multiply that quotient by the amount determined for it pursuant to subdivision (d).~~

~~SEC. 6. Section 2566 of the Education Code is amended to read:~~

~~2566. (a) The total amount apportioned for the 1995-96 fiscal year pursuant to this article shall not exceed five million dollars (\$5,000,000).~~

~~(b) This article shall only become operative if the Director of Finance certifies that a settlement agreement in California Teachers Association v. Gould (Sacramento County Superior Court Case CV 373415) is effective. No funds shall be disbursed under this article before August 1, 1996.~~

~~(c) For the purpose of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by this paragraph for the 1995-96 fiscal year shall be deemed to be "General Fund revenues appropriated to school districts," as~~

defined in subdivision (c) of Section 41202 for the 1995-96 fiscal year and be included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (c) of Section 41202 for that fiscal year.

SEC. 7. Section 2567 is added to the Education Code, to read:

2567. (a) The Superintendent of Public Instruction shall apportion equalization funding for the 1999-2000 fiscal year to the following county offices of education, adjusted for the deficit factor pursuant to Section 2558.45, pursuant to the following schedule:

Alameda	\$655,915
Butte	122,621
Calaveras	113,407
Colusa	111,661
Contra Costa	1,635,257
El Dorado	134,690
Fresno	2,524,656
Glenn	39,294
Humboldt	144,123
Imperial	613,130
Kern	133,470
Kings	306,758
Lassen	55,479
Los Angeles	6,805,186
Madera	284,994
Merced	303,003
Nevada	159,019
Orange	1,632,568
Placer	2,771
Sacramento	2,293,851
San Benito	129,193
San Bernardino	2,346,446
San Joaquin	1,317,689
Shasta	214,714
Solano	1,087,058
Stanislaus	1,265,200

1	Sutter	305,535
2	Tehama	135,315
3	Trinity	17,483
4	Tulare	1,609,231
5	Tuolumne	94,236
6	Ventura	343,369
7	Yolo	144,922
8	Yuba	138,497
9		
10		\$27,220,744

11
12 ~~(b) (1) For purposes of paragraph (1) of subdivision~~
13 ~~(b) of Section 2550, the Superintendent of Public~~
14 ~~Instruction shall divide the amount of equalization aid~~
15 ~~received by each county office of education pursuant to~~
16 ~~subdivision (a) by its 1998-99 countywide ADA and add~~
17 ~~the resulting quotient to the 1998-99 core revenue rate~~
18 ~~per unit of average daily attendance. For purposes of this~~
19 ~~calculation, the core revenue rate per unit of average~~
20 ~~daily attendance is determined by dividing the~~
21 ~~apportionments set forth in paragraph (1) of subdivision~~
22 ~~(c) of Section 2561 by the 1998-99 countywide ADA.~~

23 ~~(2) For purposes of paragraph (1) of subdivision (b)~~
24 ~~of Section 2550, for county offices of education not listed~~
25 ~~in subdivision (a), the 1998-99 core revenue rate per unit~~
26 ~~of average daily attendance is determined by dividing the~~
27 ~~apportionments set forth in paragraph (1) of subdivision~~
28 ~~(c) of Section 2561 by the 1998-99 countywide ADA.~~

29 ~~(c) If, in the 1999-2000 fiscal year, insufficient funding~~
30 ~~is appropriated to fully fund the schedule set forth in~~
31 ~~subdivision (a), the Superintendent of Public Instruction~~
32 ~~shall allocate the appropriated funds to county offices of~~
33 ~~education in proportion to the scheduled amounts. If~~
34 ~~funds are appropriated in fiscal years subsequent to the~~
35 ~~1999-2000 fiscal year for purposes of funding the amounts~~
36 ~~remaining to fully fund each county office of education in~~
37 ~~the amounts listed in subdivision (a) and the amounts~~
38 ~~appropriated in those fiscal years are insufficient to fully~~
39 ~~fund the amounts remaining, the Superintendent of~~
40 ~~Public Instruction shall in each subsequent fiscal year~~

~~allocate the appropriated funds in proportion to the scheduled amounts until the county offices of education receive the full amounts listed in the schedule set forth in subdivision (a).~~

~~SEC. 8. Section 14054 of the Education Code is amended to read:~~

~~14054. The Superintendent of Public Instruction shall, during each fiscal year, allocate to the county school service fund of each county from the State School Fund an amount that the budget submitted by the county superintendent of schools and approved by the Superintendent of Public Instruction, under Section 14050, shows is necessary, but:~~

~~(a) The total amount allocated by the Superintendent of Public Instruction under this section to all county school service funds for supervision of instruction and health, attendance, and guidance services pursuant to Article 4 (commencing with Section 1730) of, Article 5 (commencing with Section 1740) of, Article 6 (commencing with Section 1750) of, and Article 7 (commencing with Section 1760) of, Chapter 6 of Part 2, for pupils in elementary school districts which, during the next preceding fiscal year, had less than 901 units of average daily attendance, in high school districts which, during the preceding year, had less than 301 units of average daily attendance, and in unified school districts, which during the next preceding fiscal year, had less than 1,501 units of average daily attendance, shall not exceed the sum provided by law for this purpose or the amounts shown necessary by those budgets, for that purpose, whichever is the lesser.~~

~~(b) The total amount allocated by the Superintendent of Public Instruction under this section to all county school service funds for all core revenues shall not exceed the sum provided by law for those purposes or the amounts shown necessary by those budgets, whichever is the lesser.~~

~~SEC. 4. Section 2567 is added to the Education Code, to read:~~

1 2567. (a) *The Superintendent of Public Instruction*
2 *shall apportion funding for the 1999–2000 fiscal year to the*
3 *following county offices of education, adjusted for the*
4 *deficit factor pursuant to Section 2558.45, for the purposes*
5 *of school accountability, pursuant to Chapter 3 of the*
6 *Statutes of the 1999–2000 First Extraordinary Session; the*
7 *high school exit examination, pursuant to Chapter 1 of the*
8 *Statutes of the 1999–2000 First Extraordinary Session;*
9 *peer assistance and review, pursuant to Chapter 4 of the*
10 *Statutes of the 1999–2000 First Extraordinary Session;*
11 *reading development and early intervention, pursuant to*
12 *Chapter 2 of the Statutes of the 1999–2000 First*
13 *Extraordinary Session; schoolsite safety, pursuant to*
14 *Chapter 51 of the Statutes of 1999; education technology,*
15 *pursuant to Chapter 650 of the Statutes of 1994; and fiscal*
16 *accountability and oversight, pursuant to Chapter 1213 of*
17 *the Statutes of 1991 and Chapter 650 of the Statutes of*
18 *1994, as follows:*

19		
20	<i>Alameda</i>	\$163,978
21	<i>Butte</i>	\$30,655
22	<i>Calaveras</i>	28,351
23	<i>Colusa</i>	27,915
24	<i>Contra Costa</i>	408,814
25	<i>El Dorado</i>	33,672
26	<i>Fresno</i>	631,164
27	<i>Glenn</i>	9,823
28	<i>Humboldt</i>	36,030
29	<i>Imperial</i>	153,282
30	<i>Kern</i>	33,367
31	<i>Kings</i>	76,689
32	<i>Lassen</i>	13,869
33	<i>Los Angeles</i>	1,701,296
34	<i>Madera</i>	71,248
35	<i>Merced</i>	75,750
36	<i>Nevada</i>	39,754
37	<i>Orange</i>	408,142
38	<i>Placer</i>	693
39	<i>Sacramento</i>	573,462
40	<i>San Benito</i>	32,298

1	<i>San Bernardino</i>	586,611
2	<i>San Joaquin</i>	329,422
3	<i>Shasta</i>	53,678
4	<i>Solano</i>	271,764
5	<i>Stanislaus</i>	316,300
6	<i>Sutter</i>	76,383
7	<i>Tehama</i>	33,828
8	<i>Trinity</i>	4,370
9	<i>Tulare</i>	402,307
10	<i>Tuolumne</i>	23,559
11	<i>Ventura</i>	85,842
12	<i>Yolo</i>	36,230
13	<i>Yuba</i>	34,624
14		
15		<hr/> \$6,805,170

16
 17 *(b) For purposes of subparagraph (A) of paragraph*
 18 *(1) of subdivision (b) of Section 2550, the Superintendent*
 19 *of Public Instruction shall compute a rate per unit of*
 20 *average daily attendance for each county office of*
 21 *education as follows:*

22 *(1) For each county office of education, the sum of the*
 23 *following amounts:*

24 *(A) The amount, if any, received by the county office*
 25 *of education pursuant to subdivision (a).*

26 *(B) The amounts received by the county office of*
 27 *education in the 1998–99 fiscal year for the*
 28 *apportionments set forth in paragraph (1) of subdivision*
 29 *(c) of Section 2561.*

30 *(2) Divide the amount computed pursuant to*
 31 *paragraph (1) by the 1998–99 countywide average daily*
 32 *attendance.*